



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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CITY ATTORNEY RELEASES INTERIM REPORT NO. 22— PENSION PLANS VIOLATE IRS REGULATIONS

San Diego, CA— The City Attorney's Office today released INTERIM REPORT NO. 22 *The Pension Plans Violations of Internal Revenue Code Section 415(b) – Excess Benefit*, which investigates \$8 million in "excess" pension benefits paid to 102 City retirees, between 1993 and 2007, by the San Diego City Employees' Retirement System (SDCERS) in violation of Internal Revenue Code limits.

The report recommends that "all payments in excess of IRC Section 415 limits should immediately be halted, unless and until, SDCERS and/or the City has a legal mechanism within which to make these payments and if so directed to by the voters of the City of San Diego."

In a news release issued yesterday, City Attorney Michael Aguirre said, "while SDCERS was trying to quietly rectify the violations with the IRS, the information was not provided to Macias Gini, SDCERS' own auditor, who just recently completed the City's 2005 financial statement. In addition, the information was not provided to the U.S. Securities and Exchange Commission, the United States Attorney's Office, the City Attorney's Office, Navigant Consulting, outside auditor KPMG, or Kroll Inc., all of whom conducted investigations into the City's pension and financial disclosure practices."

Report No. 22 and exhibits will be posted on the City Attorney's web site before the end of the day—www.sandiegocityattorney.org, click "City Attorney Investigative Reports."

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